APPENDIX

Section 608 of the Revenue Act of 1932, 47 Stat. 263, provided:

> "There is hereby imposed upon the following articles, sold by the manufacturer, producer, or importer, a tax equivalent to 5 per centum of the price for which so sold:
>
> "(a) Household type refrigerators (for single or multiple cabinet installations) operated with electricity, gas, kerosene, or other means (including parts or accessories therefor sold on or in connection therewith or with the sale thereof).
>
> "(b) Cabinets, compressors, condensers, expansion units, absorbers, and controls (hereinafter referred to as 'refrigerator components') for, or suitable for use as part of or with, any of the articles enumerated in subsection (a) (including in each case parts or accessories for such refrigerator components sold on or in connection therewith or with the sale thereof) except when sold as component parts of complete refrigerators or refrigerating or cooling apparatus. . . .

It became Section 3405 of the Internal Revenue Code of 1939, 53 Stat. 412, which was amended by Section 546 of the Revenue Act of 1941, 55 Stat. 713, to read:

> "There shall be imposed on the following articles (including in each case parts or accessories therefor sold on or in connection with the sale thereof) sold by the manufacturer, producer, or importer a tax equivalent to 10 per centum of the price for which so sold:
>
> "(a) REFRIGERATORS, ETC.—Refrigerators, beverage coolers, ice cream cabinets, water coolers, food and beverage display cases, food and beverage storage cabinets, ice making machines, and milk cooler cabinets, each such article having, or being primarily designed for use with, a mechanical refrigerating unit operated by electricity, gas, kerosene, or gasoline.

"(b) REFRIGERATING APPARATUS. — Compressors, condensers, evaporators, expansion units, absorbers, and controls, for, or suitable for use as part of, or with, a refrigerating plant, refrigerating system, refrigerating equipment or unit, or any of the articles enumerated in subsection (a).

"(c) AIR-CONDITIONERS.—Self-contained air-conditioning units.

"(d) COMPONENTS.—Cabinets, compressors, condensers, fans, blowers, heating coils, cooling coils, filters, humidifiers, and controls, for, or suitable for use as part of, or with, any of the articles enumerated in subsection (c)."

Section 614 of the Revenue Act of 1942, 56 Stat. 978, amended Section 3405 of the 1939 Code to read:

"There shall be imposed on the following articles (including in each case parts or accessories therefor sold on or in connection with the sale thereof) sold by the manufacturer, producer, or importer a tax equivalent to 10 per centum of the price for which sold:

"(a) REFRIGERATORS.—Household type refrigerators (for single or multiple cabinet installations) having, or being primarily designed for use with, a mechanical refrigerating unit operated by electricity, gas, kerosene, or gasoline.

"(b) REFRIGERATING APPARATUS.—Cabinets, compressors, condensers, evaporators, expansion units, absorbers, and controls for, or suitable for use as parts of or with, household type refrigerators of the kind described in subsection (a) except when sold as component parts of complete refrigerators or refrigerating or cooling apparatus.

"(c) AIR-CONDITIONERS.—Self-contained air-conditioning units."

1963-1 Cum. Bull. 206-10

26 CFR 40.4061(b)-2: Definition of parts or accessories. Rev. Rul. 63-23

Summary lists of rulings relating to the taxability of articles as automobile "parts or accessories" under section 4061(b) of the Internal Revenue Code of 1954.

Numerous inquiries have been presented to the Internal Revenue Service regarding whether various articles are subject to the manufacturers excise tax which is imposed by section 4061(b) of the Internal Revenue Code of 1954 upon automobile "parts or accessories" sold by the manufacturer, producer, or importer thereof.

Section 40.4061(b)-2 of the Manufacturers and Retailers Excise Tax Regulations provides that, in general, the term "parts or accessories" includes—

(1) any article, the primary use of which is to improve, repair, replace, or serve as a component part of an automobile truck or bus chassis or body, or other automobile chassis or body, or taxable tractor,

(2) any article designed to be attached to or used in connection with such chassis, body, or tractor to add to its utility or ornamentation, and

(3) any article, the primary use of which is in connection with such chassis, body, or tractor, whether or not essential to its operation or use.

The regulations further provide that the term "parts or accessories" includes all articles which have reached such a stage of manufacture as to be commonly known as parts or accessories whether or not fitting operations are required in connection with their installation.

In order to provide guidance in the uniform application of this tax, there are set forth below brief descriptions of some of the articles which have been held taxable or non-

taxable, as indicated, but which are not specifically covered by previously published rulings.

Articles Held to be Taxable as Automobile Parts or Accessories:

Air brake system, safety valve, designed for use on taxable motor vehicles.

Air conditioner, mounted on two wheels, designed to be pulled behind a passenger automobile for the purpose of providing conditioned air through a hose extending from the air conditioner to the interior of that automobile.

Air conditioners, equipped with internal combustion engines, designed for installation on bus bodies.

Ammeters designed for use as replacement parts in particular models of automobiles.

Arresters which are designed to be attached to automobile exhaust pipes for the purpose of providing protection from exhaust sparks.

Ash trays, equipped with dashboard mounting brackets, window molding clips, and upholstery pins, suitable for installing anywhere in an automobile.

Ash trays, equipped with suction cups for mounting, which are advertised as "a universal ash tray, for use in car, office, or home," but which are primarily used in automobiles.

Battery cable kit (consisting of copper cable, clamp ends, battery bolts and nuts, and crimping die set) designed for use with taxable motor vehicles. However, no tax applies to crimping die set if selling price is stated separately on invoice.

Belts, referred to as "V-belts," designed for use as component parts of automotive air brake systems and

which are attached to the fan and generator pullies to drive the air compressors of the systems.

Bracket, custom-made, designed for installation on the inside of an automobile truck body for the purpose of carrying a long handled shovel.

Bushings designed for use in automobile suspension rear support arms.

Cigarette "snuffer," designed for extinguishing lighted cigarettes, primarily used in automobiles and trucks.

Clamp, "U" type, designed, advertised, and sold for use as a universal-type automobile muffler and tailpipe clamp, even though the clamp may be used for other purposes.

Clothes hanger and ice scraper combination designed to be attached to the window glass of an automobile.

Condensers, compressors, and evaporators which are designed for use as replacement parts for automobile air conditioners.

Connectors, electrical, with brass screws, used primarily on small boat trailers.

Covers and bows for jeep tops, whether sold separately or as complete tops.

Crane, of the boom and mast type, which is designed to be mounted permanently on an automobile truck chassis immediately behind the cab for use in loading and unloading the vehicle on which it is mounted.

Curtains (such as tail gate, chain gate, and side curtains) designed to be attached to or used in connection with taxable trucks even though they may be used for other purposes.

Front suspension repair kit (consisting of a washer, a tapered helical spring, and a cup with spring nest)

designed to maintain uniform tension on the ball joint, for front end alignment of an automobile.

Fuel pressure regulators primarily used on automobiles, trucks, buses, and taxable tractors.

Heater cores designed for automobile and automobile truck heaters.

"Hydraulic lifting fifth wheel" designed to be mounted on a truck tractor for use in moving semitrailers.

Implement lift, designed for installation on, or as an attachment to, "jeep" vehicles, for hydraulically raising or lowering equipment which is operated by, or with, the vehicles.

Litter bag designed to be hung on an automobile dashboard or door.

"Loading yokes" designed to be used in connection with cable reel trailers and combination pole and reel trailers.

Luggage carriers designed to be placed on the roof of an automobile or truck.

Overhead meat tracking systems designed for use with automobile truck or trailer bodies.

Pin-brake shoe anchor (eccentric) designed for use on taxable motor vehicles.

Pressure mechanisms which are designed to be attached to the stem of an inner tube for the purpose of indicating pressure fluctuations.

Rack, designed to be hung on the seat of an automobile, for carrying guns or fishing rods.

Rack which is custom-made for installation on the rear of an automobile truck body for the purpose of carrying acetylene containers.

Radiator guards designed to be attached to or used in connection with taxable motor vehicles.

Rear view mirrors, referred to as "caboscopes", specially designed to be attached to trucks to enable the driver to view operation of an aerial extension ladder.

Refrigeration "holdover" plates designed for use in taxable truck or trailer bodies; also, hangers designed for use in fastening and holding the plates to the interior of the truck or trailer bodies.

Resonator repair kit, for installation on tailpipe of taxable motor vehicles.

Retractable caster wheel devices designed for use on two-wheel utility trailers, whether sold with or without the wheel.

Safety switches designed for use in electrical systems of automobiles, trucks, and buses.

Shock absorber anchor plate kits used in repair of taxable automobiles.

Sirens, electronic, designed to be attached to or used in connection with taxable motor vehicles.

Sleeves for automobile clutch throw-out bearing assemblies.

"Spreader gate" designed and sold for use on dump trucks.

Starter jumper wire combination, designed for use in starting taxable motor vehicles.

Steering arm and ball stud assemblies designed for use in the steering mechanisms of taxable motor vehicles.

Steering arm shaft designed for use on taxable motor vehicles.

Stop lights and tail lights designed for use on boats being transported over the highways.

Sun visor cases designed to be attached to the visors of automobiles for holding eye glasses, cigarettes, papers, parking meter change, etc., even though also held out to be worn on a person's belt.

Tail gate loader designed for use on taxable motor vehicles.

Tailpipe repair and extension kit for use on taxable motor vehicles.

Tie-down strap devices designed to hold loads to the tops of automobiles or trailers.

Tire valves, and tire valve extensions, designed for tires used on taxable motor vehicles.

Transmission countershaft designed for use with taxable motor vehicles.

Truck reflectors and clearance lights designed for use with taxable vehicles.

Vacuum indicators designed for use on vacuum systems of taxable vehicles.

Wheel balancing weights designed for use with taxable motor vehicles.

Articles Held to be Not Taxable as Automobile Parts or Accessories:

Air conditioners equipped with electric motors and designed for installation only on trolley cars or trackless trolley buses.

Ammeters for general use, such as on tractors, boats, stationary engines, lighting plants, etc.

Caps designed to seal lubrication fittings on various types of equipment, including automotive equipment.

Chemical solution used to desulphate automobile storage batteries.

Chemical solution used to prevent air leaks in all types of pneumatic tires.

Connectors, electrical, designed for marine use.

Fuel tanks designed for use only on farm equipment.

Gauges, designed to measure temperature, pressure, vacuum, or liquid level in marine engines, stationary engines, industrial machines, aircraft, farm equipment, etc.

Heaters designed for use only on the premises of drive-in theaters.

Ignition condensers designed for use only on power lawn mowers, chain saws, outboard and marine motors, etc.

Ladder ring assemblies designed to support aerial extension ladders mounted on trucks.

Marine starter switches.

Pole clutching device which is a component part of a derrick and digger used in the utility industry to set telephone line poles.

Rear-view mirror designed for use on motorcycles, motor scooters, and bicycles.

Spark plug wrench sets.

Tachometer used to measure the speed of rotation on nonautomotive equipment, such as marine engines, stationary engines, industrial machines, aircraft, farm equipment, etc.

Tire pressure gauges, applied externally to check the air pressure of tires.

Tire valve cores and caps, when sold separately.

Transmissions suitable for use only on nontaxable construction equipment.

Welding units, electric, mounted on trucks or other vehicles and driven by the engines of those vehicles but which perform no function in connection with the operation of the vehicles.

The above lists are intended to provide general information as to Internal Revenue Service rulings affecting a variety of articles related to the automotive field. The conclusions reached may not be applicable in situations where the articles in question are not identical with those described. Accordingly, where any question exists as to the applicability of the above rulings to sales of specific products, advice should be sought from the Internal Revenue Service.